

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCTS PRICE CHANGES
RATES OF GENERAL APPLICABILITY

Docket No. CP2016-9

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**
(November 5, 2015)

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 2, which was issued on November 3, 2015. Responses were due by November 6, 2015. Each question is reprinted verbatim and is followed by the Postal Service's response.

Respectfully submitted,

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November 5, 2015

RESPONSE OF THE UNITED STATES POSTAL SERVICE
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1. The following question concerns First-Class Package Service (FCPS) and seeks to clarify the methods by which single-piece FCPS mailpieces may be entered into the mail stream. In its response to Chairman's Information Request No. 1, the Postal Service stated that "FCPS can only be entered into the mail stream through the Business Mail Entry Unit (BMEU)." In Docket No. MC2011-22, the Commission considered the Postal Service's request to transfer commercial First-Class Mail Parcels from the market dominant product list to the competitive product list. During this proceeding, the Postal Service stated:

"It is anticipated that the proposed Lightweight Commercial Parcels product will have the same allowable entry methods as commercial First-Class Mail Parcels, meaning that Lightweight Commercial Parcels mailpieces will be entered either through the collection mail stream (e.g., deposited in collection boxes, picked up by carriers, or tendered over a retail counter (pre-paid pieces only)) or in bulk through business mail entry units."

Please reconcile these two statements and clarify the allowable entry methods for single-piece FCPS mailpieces.

RESPONSE:

The statement from Docket No. MC2011-22 remains correct. First-Class Package Service (FCPS) is primarily intended to be entered into the mail stream through the Business Mail Entry Unit (BMEU), but it can also be picked up by carriers or dropped off at a retail window, when it is prepaid. Prepayment may only occur via commercial payment systems (Permit Imprint, PC Postage, and metered mail). FCPS prices are not available through the retail Point of Sale (POS) terminal, or the Automated Postal Center (APC).

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2. In its Response to CHIR No. 1, the Postal Service confirmed that FCPS is exclusively available to commercial customers and that it “would not be opposed to adding language to that effect in the MCS to better identify FCPS as a commercial offering.” Please provide revised MCS language that would better identify FCPS as a commercial offering.

RESPONSE:

Please see Attachment A. The Postal Service has highlighted in yellow the proposed revisions adding “commercial” to various sections of the MCS, for ease of viewing among the already-existing proposed MCS changes in those sections.

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3. Please confirm that the International Service Center Zone Chart annual fee only applies to Priority Mail International Commercial Base and Commercial Plus customers and not Retail customers. If not confirmed, please explain.

RESPONSE:

Not confirmed. The ISC Zone Chart is available for purchase to any customer; however, the primary intention is for use by commercial customers that have multiple shipments to multiple locations. For retail customers, the retail terminals (POS/RSS) utilize the ISC Zone Chart data to accurately calculate retail PMI package prices to Canada.

2125 First-Class Package Service

* * *

2125.2 Size and Weight Limitations

*Commercial Base (Mixed ADC/Single-Piece, ADC, 3-Digit, and 5-Digit) **Commercial** Single-Piece*

	Length	Height	Thickness	Weight
Minimum	3.5 inches	3.0 inches	0.05 inch	none
Maximum	18 inches	15 inches	22 inch	13 <u>16</u> ounces

Commercial Plus (Mixed ADC/Single-Piece, ADC, 3-Digit, and 5-Digit)

	Length	Height	Thickness	Weight
Minimum	6.0 inches	3.0 inches	0.25 inch	3.5 ounces
Maximum	18 inches	15 inches	22 inch	<16 ounces

2125.3 Minimum Volume Requirements

	Minimum Volume Requirements
Commercial Base Commercial Single-Piece	<u>none</u>
Mixed ADC/Single-Piece	<u>none</u>
ADC	<u>500 pieces per mailing</u>
3-Digit	<u>500 pieces per mailing</u>
5-Digit	<u>500 pieces per mailing</u>
Commercial Plus	<u>5,000 pieces per year commitment, and:</u>
Mixed ADC/Single-Piece	<u>200 pieces or 50 pounds per mailing</u>
ADC	<u>500 pieces per mailing</u>
3-Digit	<u>500 pieces per mailing</u>
5-Digit	<u>500 pieces per mailing</u>

2125.4 Price Categories

The following price categories are available for the product specified in this section:

- ~~Commercial Plus~~
 - ⊖ ~~5-Digit~~
 - ⊖ ~~3-Digit~~
 - ⊖ ~~ADC~~
 - ⊖ ~~Mixed ADC/Single-Piece~~
- ~~Commercial Base~~ **Commercial** Single-Piece
 - ⊖ ~~5-Digit~~
 - ⊖ ~~3-Digit~~
 - ⊖ ~~ADC~~
 - ⊖ ~~Mixed ADC/Single-Piece~~

* * *

2125.6 Prices

~~Commercial Plus~~

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Single-Piece (\$)
≥3.5 and <16	3.37	3.57	3.77	4.05

*~~Commercial Base~~ **Commercial** Single-Piece*

Maximum Weight (ounces)	<u>Single-Piece (\$)</u>	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC/Single-Piece (\$)
1	<u>2.60</u>	1.54	1.67	1.79	2.04
2	<u>2.60</u>	1.54	1.67	1.79	2.04
3	<u>2.60</u>	1.54	1.67	1.79	2.04
4	<u>2.60</u>	1.63	1.76	1.88	2.13
5	<u>2.60</u>	1.72	1.85	1.97	2.22
6	<u>2.60</u>	1.85	1.98	2.10	2.35
7	<u>2.60</u>	2.03	2.16	2.28	2.53
8	<u>2.60</u>	2.21	2.34	2.46	2.71
9	<u>3.30</u>	2.39	2.52	2.64	2.89
10	<u>3.35</u>	2.57	2.70	2.82	3.07
11	<u>3.40</u>	2.75	2.88	3.01	3.25

Attachment A
Response to CHIR No. 2, Q2

12	<u>3.45</u>	2.93	3.06	3.20	3.44
13	<u>3.50</u>	3.11	3.25	3.39	3.63
<u>14</u>	<u>3.55</u>				
<u>15</u>	<u>3.60</u>				
<u>15.999</u>	<u>3.65</u>				

Irregular Commercial Base Parcel Surcharge

Add \$0.20 for each irregularly shaped Commercial Base parcel (such as rolls, tubes, and triangles), ~~unless the parcel is prepared in 5-Digit/scheme containers.~~

IMpb Noncompliance Fee

Add \$0.20 for each IMpb-noncompliant parcel paying commercial prices.

Pickup on Demand Service

Add \$20.00 for each Pickup on Demand stop.